

~~-YALE COLLEGE-~~ DEMOCRATS

March 5, 2015

Testimony of Dasia S. Moore
Campus & Community Coordinator, Yale College Democrats

206 Elm Street, Suite E41
New Haven, CT 06511

In favor: H.B. No. 6915
An Act Concerning a Student Loan Bill of Rights

Esteemed members of the Banking and Higher Education Committees, I appreciate this opportunity to testify in support of House Bill 6915. My name is Dasia Moore, and I speak to you in my capacity as a Board member of the Yale College Democrats and, more importantly, as a college student in the state of Connecticut.

As a freshman not far removed from the college search process, I understand the stress, confusion, and pressure that stem from the cost of accessing higher education. Though I am fortunate enough to have a loan-free financial aid package, I still feel the effects of student loans.

In 1990, my mother became the first person in her family to attend a four-year university. To achieve this remarkable accomplishment, she took out substantial student loans. Twenty-five years later, she still faces college debt, even as she and my father work hard to meet our family's current needs.

I would not be in front of you today had it not been for the knowledge my mother imparted in me, and I appreciate the sacrifices she made. I also recognize that her debt could be lower today had she been able to benefit from the loan education and basic consumer protections outlined in House Bill 6915.

This bill is essential to ensuring that Connecticut students can responsibly and realistically fund their educations without the fear of exploitation by lenders. A central authority to oversee student loans would increase borrower's understanding and security and thus prepare them to make smart financial decisions. This is important because the impact of student loans extends well beyond four years. Debt shapes the financial futures of individuals and families and influences the health of state, local, and national economies.

The Student Loan Bill of Rights is about more than the individual story I have shared with you. It is about 1.2 trillion dollars in national college debt and this state's role in reversing the trend of increasing financial burdens on families. It is about what Connecticut can do to educate and protect student borrowers. I urge you, members of both committees, to support this bill and support your students.

RE: SB 319 *AN ACT CONCERNING FINANCIAL LITERACY EDUCATION*

Christopher M. Lee, CFP®, CT Jump\$tart, President

Currently CT does not mandate a personal finance class as a graduation requirement. Hopefully this bill can start to pave the way for that. Presently seventeen states do require that, up from only one state thirteen years ago. CT Jump\$tart recently surveyed the 170 school districts and found that while 90% of the school districts in CT offer personal finance as an elective, less than 7% of the school districts require the class as a graduation requirement.

We believe that the personal finance class should be a high school graduation requirement. Richard Cordray, who is the Director of the CFPB, made some remarks at our Jump\$tart national conference last year that I'd like to share with you.

When we do not teach children about personal finance – about managing household budgets or making informed decisions about larger investments in an education or a home – we are condemning them to learning it largely and perhaps entirely on their own, if at all. We are intent upon teaching them that worms are classified as annelids but we do not teach them why it is important to save for retirement. One thing we can count on is that when our children pass that arbitrary threshold to becoming an adult, we expect them magically to be able to operate “on their own,” and to be able to handle all the decisions (including financial decisions) that go with that unmoored status. If we teach them subjects like science, history, and math but do not teach them anything about personal finance, then we need to understand that we are making a conscious choice to release them into a financial world where they have to fend for themselves.

Above all, people need to know that there are a few big moments in their lives where they are going to confront specific decisions with potentially massive consequences, such as taking out a mortgage or student loan. Do you go to school here or there? Do you buy this house or that one? How much debt do you take on, and on what terms? Do you understand the consequences? These crucial decisions have huge ripple effects in your life, lasting for years.

These are significant occasions where you can make a terrible decision by focusing on the wrong things or failing to gather enough information. At a minimum, our young people need to understand which of these decisions are important, and not to treat them casually.

As Aristotle once said, “The neglect of education does harm to the political order.”